

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Docket No. TM97-3-25-005]

Mississippi River Transmission Corporation; Notice of Refund Report

March 16, 1998.

Take notice that on February 17, 1998, Mississippi River Transmission Corporation (MRT) tendered for filing its refund report associated with the January 16, 1998 distribution of refunds, including interest, for its Miscellaneous Revenue Flowthrough Adjustment balance applicable to the period November 1, 1995 through August 31, 1996.

MRT states that based on inquiries from several customers, MRT has discovered that several FTS customers were inadvertently excluded from the refund distribution. MRT states that attached to the filing are revised exhibits for the corrected distribution of refunds to MRT's FTS customers.

MRT states that copies of the filing is being mailed to each of MRT's affected customers and to the state commissions of Arkansas, Illinois and Missouri.

Any person desiring to protest this filing should file a protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Section 385.211 of the Commission's Rules and Regulations. All such protests must be filed on or before March 23, 1998. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

David P. Boergers,*Acting Secretary.*

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DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Docket No. SA98-11-000]

Mull Drilling Company, Inc.; Notice of Petition for Adjustment

March 16, 1998.

Take notice that on March 5, 1998, Mull Drilling Company, Inc. (MDC), filed a petition for adjustment under section 502(c) of the Natural Gas Policy Act of 1978 (NGPA) [15 U.S.C. 3142(c)

(1982)], requesting an order from the Commission determining: (1) that a Termination Agreement between MDC and Williams Gas Pipelines Central, Inc., formerly: Williams Natural Gas Company, (Williams) absolves MDC of its liability to make Kansas ad valorem tax refunds under those terminated contracts; (2) that MDC is only responsible for Kansas ad valorem tax refund amounts attributable to its working interest; (3) that the payment of Kansas ad valorem tax refunds will create a special hardship for MDC and, therefore, that MDC should be permitted to amortize its refunds over a reasonable period of time; and (4) that MDC's liability for Kansas ad valorem tax refunds attributable to the Clarke and Zundle leases should be waived, on the basis that MDC can no longer recoup any refunds from the owners of those leases.¹ Absent adjustment relief, the Kansas ad valorem tax refunds are required by the Commission's September 10, 1997 order in Docket No. RP97-369-000 *et al.*² MDC's petition is on file with the Commission and open to public inspection.

The Commission's September 10 order on remand from the D.C. Circuit Court of Appeals³ directed first sellers to make Kansas ad valorem tax refunds, with interest, for the period from 1983 to 1988. That order also provided that first sellers could, with the Commission's prior approval, amortize their Kansas ad valorem tax refunds over a 5-year period, although interest would continue to accrue on any outstanding balance.

MDC states that it was a party to certain gas purchase contracts entered into with Cities Service Gas Company (Williams' predecessor in interest). MDC explains that, as the operator, of the leases dedicated under those contracts, MDC acted on behalf of itself and, in some cases, third-party working interest owners. MDC adds that it passed along the funds, including the Kansas ad valorem tax reimbursement funds, to the other working interest owners, and only retained those funds attributable to its own working interest. In addition, MDC states that all but two of the contracts with Williams were terminated on

¹ MDC states that the Clarke and Zundle leases were each dedicated to a Williams contract, and that the leases were sold to a third party some years ago. In view of this, MDC asserts that it has no ability to recoup refunds from future production of these two leases.

² See 80 FERC ¶ 61,264 (1997); order denying reh'g issued January 28, 1998, 82 FERC ¶ 61,058 (1998).

³ *Public Service Company of Colorado* versus, FERC, 91 F.3d 1478 (D.C. 1996), cert. denied, Nos. 96-954 and 96-1230 (65 U.S.L.W. 3751 and 3754, May 12, 1997) (Public Service).

March 31, 1993, and that the Termination Agreement with Williams contained broad release and indemnity provisions under which the parties agreed that all existing claims on the effective date of the Termination Agreement, arising from the rights and obligations under the subject contracts, would be forever "released and discharged."

MDC asserts that, because Williams did not exclude the Kansas ad valorem tax refund liability from the terms of the Termination Agreement, MDC should not owe any refunds to Williams for the Kansas ad valorem tax reimbursements that Williams made (to MDC) under those contracts.⁴

Any person desiring to be heard or to make any protest with reference to said petition should on or before 15 days after the date of publication in the Federal Register of this notice, file with the Federal Energy Regulatory Commission, Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 384.214, 385.211, 385.1105, and 385.1106). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

David P. Boergers,*Acting Secretary.*

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DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Docket No. CP98-265-000]

Ozark Gas Transmission System; Notice of Application

March 16, 1998.

Take notice that on March 5, 1998, Ozark Gas Transmission System (Ozark) filed an application pursuant to Section 7(b) of the Natural Gas Act (NGA) and the Regulations of the Federal Energy Regulatory Commission (Commission) thereunder, for a certificate of public convenience and necessity authorizing

⁴ MDC's adjustment petition identifies its Williams contracts and the leases under those contracts, but does not specify which two contracts were not covered by the 1993 Termination Agreement.